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BENEFACTS NEWSLETTER

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INSIDE THIS ISSUE:

Strategies for Managing your TSP

The Thrift Savings Plan (TSP) is one part of a three-tiered component of the Federal Employees Retirement System (FERS). Account holders risk not having enough retirement income or savings to sustain their lifestyle into retirement if they do not properly contribute to and/or manage their TSP accounts. The three phases of TSP management are proper allocation, massing balanced wealth, and a proper withdrawal phase.

Understanding the proper way to allocate funds should be learned early in ones career. Proper allocation begins with contributing the maximum allowable amount each pay period. If contributing the maximum amount is not a viable option, it's advisable to contribute the matching 5 percent amount each pay period to avoid leaving any "money on the table." One option for investing is to diversify your TSP account by using an L-Fund, which matches your risk preferences based on age and retirement goals. The phase of amassing a balanced portfolio is accomplished by increasing your contributions and by continuing to meet the maximum IRS limit each year.

If the L-Funds which are designed to adjust auto-

matically through your life cycle are not elected , you must use inter-fund transfers to balance your TSP account.

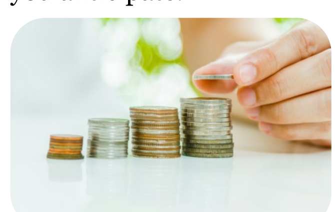
Another element of amassing a balanced portfolio is that not all of your savings should go into the TSP account. Is advised to create three types of savings accounts. First, set up an immediate account for fast withdrawals. Second, set-up a targeted account for specific purposes, like the purchase of a washer and dryer. Finally, set up your TSP account for the long haul. By doing so, you will not be tempted to withdraw any money from your long-term savings.

Once you have accumulated your wealth, determining a proper withdrawal phase is critical. The TSP board has recently changed the options to withdraw your account balance and is seeking to implement these new options by November 2019. It is suggested not to withdraw all your money at one time; determine a proper income stream to maintain a comfortable retirement.

Become familiar with several TSP terms , such as Plan Participation, Investment Funds, Life Events, Tax Deferred Growth, and Compounding Interest, to help implement these recommendations and properly manage your TSP. The TSP website, offers valuable tools in understanding these terms and their implications.

Planning your withdrawals and becoming familiar with different money sources, like your FERS retirement value, Social Security, TSP savings, and other savings accounts, will help you determine the best time to start receiving your allocated funds. The 'Withdrawing Your TSP Account After Leaving Federal Service' TSP Booklet outlines several options on withdrawing your funds.

By using these tools and becoming familiar with how the TSP account works, you will be well on your way to achieving the desired retirement income you anticipate.



TSP Catch-up Contributions

Catch-up contributions are supplemental employee contributions that FERS employees age 50 or older can make to the TSP beyond the maximum amount allowed through regular contributions. Catch-up contributions can be made on a traditional (pre-tax) basis or a Roth (after-tax) basis. An employee can begin making this type of contribution at any time during the year in which the employee turns 50.

In addition to the age requirements, the employee must contribute the maximum contributions allowed under the elective deferral limit. Catch-up contributions do not count against the Internal Revenue Code (IRC) deferral limit. However, these type of contributions are not eligible for Agency matching.

Employees are not eligible to make catch-up contributions if they are in non-pay status or are ineligible to make TSP contributions because of a financial hardship in-service withdrawal made within the last 6 months. If an employee elects to make catch-up contributions and subsequently enters a non-contribution period, deductions will stop. Contributions will not restart automatically and a new election must be made after the non-contribution period ends.

For the year 2018, the IRC Deferral limit is $18,500. The 2018 Catch-up contribution limit is $6,000. To begin making Catch-Up contributions, an eligible employee, must complete and submit a TSP-1-C each year.

The following chart provides a summary on TSP Catch-up Contributions:

Thrift Savings Plan (TSP) Catch-Up Contributions	
Eligibility (must meet all criteria)	A CSRS and FERS employee; Age 50 or older during the calendar year in which the catch-up contributions are made (even if you become age 50 on December 31 of that year); Currently employed and in pay status; and Making regular contributions to a TSP account, and/or an equivalent employer plan that will equal the **maximum** allowed by the Internal Revenue Code (IRC).
Ineligibility (meeting a criterion renders one ineligible)	Not a CSRS or FERS employee; or Under the age of 50; or In a non-pay status; or Less than 6 months removed from a hardship withdrawal
Contributions Start	The first full pay period after your Agency receives a completed TSP-1-C
Contributions Stop	If you become ineligible; or At the end of the calendar the Catch-up election was made
Catch-up Contribution Limit	For Year 2018, $6,000

For More Information, visit www.tsp.gov and search keyword(s): Catch-up Contributions.

FERS Retiree Supplement

"The supplement itself is a valued and treasured portion of a Federal employee's post retirement income"

With the recent change in economic climate, Federal employees are searching for as many sources of post retirement income as possible, and expect accurate estimates of those numbers upon request.

The rules for who, what and when retirees can receive the Federal Employees Retirement System (FERS) annuity supplement can vary for certain classes of employees (ex. Military Technicians, Firefighters, Law Enforcement Officers), but in general, the FERS annuity supplement is paid in addition to the FERS annuity benefit at an employee's Minimum Retirement Age (MRA). For those receiving deferred, disability or immediate MRA+10 benefits, the annuity supplement is not added to their regular benefit.

Conceivably, the amount of the supplement represents the portion of the Social Security benefit earned while under FERS civilian service. The basic computation boils down to the estimated Social Security benefit at age 62, divided by 40, and multiplied by total years of Federal civilian service. Following is an example of a FERS employee retiring at age 60 with 20 years of FERS creditable civilian service.

Formula: Estimated Social Security Benefit at Age 62 ÷ 40 = factor x years of FERS service = monthly Supplement.
Example: $1,000 ÷ 40 = 25 x 20 = $500

The actual computation created by the Office of Personnel Management (OPM) can vary and in some cases greatly differ from the example used here. When calculating a Social Security benefit, Social Security uses the entire earnings history regardless of how it was received, or the age at which it was earned. OPM however uses only the earnings under FERS received after age 22 to calculate the supplement. If by chance an individual worked part-time in the private sector during that time period, those earnings are not taken into account by OPM. What does this mean? If an individual happens to have considerable work in the private sector, or significant Federal time prior to age 22, the SSA earnings could potentially be substantially higher than the earnings used by OPM to calculate the annuity supplement. What frustrates retirees even further is that OPM does not issue final numbers of how the supplement was computed. This makes it difficult to explain why a Federal employee's estimate was so drastically different from the final number computed by OPM.

Once received, the supplement is subject to the social security earnings test and continues until the earlier of: 1) The last day of the month before the first month for the individual is entitled to an actual social security benefit, or 2) The last day of the month in which the individual reaches age 62.

The supplement itself is a valued and treasured portion of a Federal employee's post retirement income. When it is fully understood and estimated correctly, employee's can accurately project a good retirement date. When mistakes and assumptions are made, retirees can find themselves in difficult financial situations, potentially forcing them to return to work. It is incumbent upon Human Resources Specialists and their employees to both understand and provide proper guidance to those that need it. For additional information on the FERS annuity supplement, please see chapter 51 of the CSRS and FERS handbook.

Court Ordered Healthcare Coverage for Children

Public Law 106-394 requires that if you are subject to a court or administrative order, you must enroll in Self Plus One or Self and Family coverage in a plan that provides full benefits to your child/children in the area which they live or provide documentation that you have other health coverage for the child/children.

If your employing office receives a court or administrative order, requiring an employee to provide health benefits for his or her child or children, the employee has until the end of the next pay period to change his or her enrollment or provide documentation to the employing office that he or she has other coverage for the child or children.

If you currently have a federal employees health benefits plan that serves the area where the children live, the employing office will send a copy of your SF 2809 to your health benefits carrier, along with a copy of the court or administrative order to notify the carrier and change your enrollment to Self Plus One or Self and Family in the same option of the same plan.

If you have a medical plan that does not serve the area in which the children live, your employing office must change the enrollment to self plus one or self and family in the option that provides the lower level of coverage in the Service Benefit Plan. For plan year 2018, the lowest-cost nationwide plan is GEHA standard option.
If you fail to enroll, your employing office will involuntarily enroll you in GEHA standard option. They will send a copy of the court/administrative order and will complete a SF 2809 with your identifying information, using event code 1C (Change in family status), and in the signature block in Part G, they will write "See Remarks." In Part I, they will write "Being enrolled for Self and Family coverage involuntarily under Pub. L. 106-394." They will send a copy of the SF 2809 to the custodial parent, along with a plan brochure.

Your employing office will file the order in your Official Personnel Folder and mark that it contains a court or administrative order relating to health benefits.

NAF Readiness: Are You Prepared?

Your well-being and possibly the lives of others may rely on whether or not you are prepared for hurricanes, floods, fires, or other disasters. How you respond to a disaster or emergency situation will depend on how well you prepare before a natural disaster strikes. Prepare, plan and stay informed! You can obtain valuable information at http://www.ready.gov/ to assist you with your preparations.

Aetna monitors all disaster situations in affected areas to ensure nonappropriated fund (NAF) health benefits programs (HBP) members have access to medical providers. Please remember that affected members can seek urgent or emergency care anywhere, as needed.

Aetna makes it easier for NAF HBP members in affected areas to refill prescriptions.

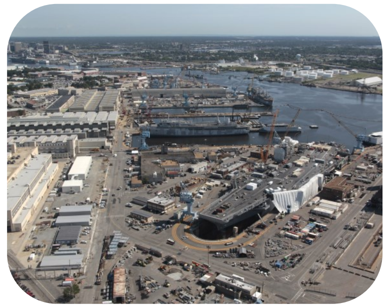
Aetna also offers customers additional time to file appeals. Whenever a disaster does strike, HBP members are strongly encouraged to go to www.nafhealthplans.com for additional information on their healthcare needs.

Wage Spotlight

"America's Shipyard" located in Portsmouth, Virginia celebrated 250 years of history and innovation in shipbuilding, maintenance, and repair last year. The Norfolk Naval Shipyard (NNSY) is the fourth largest employer in the Hampton Roads area, with more than 10,500 full-time civilian employees and 750 military personnel.

This April, Wage's Eastern Region team visited the NNSY. A team of data collectors, project officers, and local naval yard management staff were given a command sponsored tour. The tour featured several aspects of the naval yard including the brief history of the shipyard, which included a visit to a dry-dock, machine shop, pipe shop, and welding shop.

The tour allowed the team to see firsthand the work of those whom they collect data for and how the various machines are



operated. One of the most notable machines was from 1948 and still has the ability bend 12-inch pipe today!

The skilled trades jobs within each shop require a tremendous amount of dedication, training, and expertise. Seeing the classroom and hands-on applied trainings the blue-collar employees are required to complete drove home the amount of effort, time, and requirements to attain journeyman level skills. The data collection team is responsible for matching comparable positions and skill levels accurately to ensure employees receive equitable pay for comparable work in the local area. Seeing each shop in action allowed the team to gain a better understanding of the skilled trades jobs they survey in wage areas throughout the United States. Overall, this was an invaluable, hands-on experience for Wage's Eastern Region team. Many thanks to the command, management, and union for this learning experience.

Pipeline Reemployment Program

The Office of the Secretary of Defense (OSD) has authorized the Pipeline Reemployment Program and approved funding to support these efforts. The Pipeline Reemployment Program provides centralized funding for salary and benefits to reemploy injured workers who have the ability to return to some type of work. Oversight of this Program is accomplished at the Civilian Personnel Policy (CPP) level, utilizing the resources of the Defense Civilian Personnel Advisory Service (DCPAS), Injury & Unemployment Compensation (ICUC) Branch, to implement policy, provide guidance, and develop and monitor performance metrics.

Funds are provided for up to one year for an employee working greater than 20 hours per week or two years for employees working 20 hours per week or less. The salary portion of the Pipeline funding covers the regular work hours, locality, differential, and Sunday pay, as well as Within Grade Increases (WGI). Pipeline funding **does not** cover Federal Employees Dental and Vision Insurance Program, Long Term Care Insurance, overtime (unless it is mandatory scheduled overtime), training, or performance awards/ bonuses. Eligible employees must have permanent work restrictions as a result of an accepted traumatic injury or occupational disease/illness.

For more information, please contact your Component/Agency Injury Compensation Program Administrator (ICPA).

DoD Telework & Dependent Care

The Telework Enhancement Act of 2010 defines telework as "a work flexibility arrangement under which an employee performs the duties and responsibilities of such employee's position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work". Used appropriately, telework, along with other workplace flexibilities, can facilitate the management of work and dependent care.

Telework, however, may not be used with the intent of or for the sole purpose of meeting employees' dependent care responsibilities while performing official duties. While performing official duties, teleworkers are expected to arrange for dependent care just as they would if they were working in the office. It can be a very valuable flexibility to employees with caregiving responsibilities, by eliminating time required to commute and expanding employees' choices as to dependent care. Ensuring close proximity to young children as well as home-based supervision or child care, which may be more cost effective or convenient.

Employees are reminded that while teleworking, all workplace policies remain in place, including telework start/end times, rules regarding time and attendance, and employee expectations concerning performance and conduct. Employees should not be engaging in dependent care activities when performing official duties. While an occasional, brief interruption may occur

when a dependent is present in the home, teleworkers must be careful to keep interruptions to a minimum to avoid disruptions in work accomplishment.

Teleworkers should notify their supervisors as soon as possible about the situation preventing the teleworker from continuing work. Teleworkers should then request approval for appropriate leave while performing dependent care responsibilities. Failure to comply with the terms of the telework agreement, or diminishment in the employee's performance could result in suspension or even termination of an employee's telework agreement.

There may be unplanned or temporary circumstances (e.g., an unscheduled telework day in which schools are closed) when telework may be an appropriate short-term workplace flexibility for employees with caregiving responsibilities. Telework may also be used in conjunction with leave or other workplace flexibilities and can provide employees with valuable additional time for elder care responsibilities by reducing commuting time or by allowing employees to temporarily care for a family member who resides in a different geographic location.

For additional guidance on the use of telework and other work life flexibilities, please refer to the Department of Defense Telework Policy Instruction 1035.01, dated April 4, 2012 (DODI 1035.01, USD (P&R)).

Survivor Benefits Payable Under CSRS and FERS

There are two types of death benefits that may be payable due to the death of a civilian service employee under CSRS and three types of benefits payable under the FERS retirement system.

Benefit Payable Under CSRS:

Monthly Survivor Benefit (Annuity): If the employee completed at least 18 months of creditable service and was covered under CSRS at the time of death recurring monthly payments are payable to a spouse, former spouse (under a court order) and children of the deceased that meet eligibility.

A spouse is eligible for the Monthly Survivor Benefit under CSRS if the spouse was married to the deceased for at least nine months, if there was a child born of the marriage and if the employee's death was accidental.

Former Spouses are also eligible to receive the monthly benefit as long as they were married to the deceased for at least nine months and they have a court order awarding a survivor benefit.

Dependent children are eligible for the monthly benefit, if they are unmarried and under 18 years of age. Payments may continue until age 22 if the child is a full-time student attending a recognized school. Unmarried children incapable of self-support beyond the age of 22 are also eligible if the disability occurred before the age of 18.

A child is considered a dependent if he/she was born of the marriage to the employee; if the child is adopted; or a stepchild or recognized child born out of wedlock who was living with the employee in a parent-child relation when the employee died; or a recognized child born out of wedlock for whom a judicial determination of support has been obtained; or if the child is incapable of self-support due to a physical or mental disability which began before age 18.

Lump Sum Benefit: A lump sum payment of unrefunded retirement deductions, redeposits, and military and civilian service deposits. If the employee had less than 18 months of creditable civilian service or leaves no survivors eligible for an annuity, a lump sum credit will be paid to the designated beneficiary. If there is no designated beneficiary, the payment will be made according to the order of precedence.

Benefit Payable Under FERS:

Basic Employee Death Benefit (BEDB) for FERS employees only: A benefit payable to the spouse (or former spouse if there is a court order) of a deceased employee that completed at least 18 months of creditable civilian service and died while subject to FERS deductions. A BEDB payment is equal to 50% of the employee's final salary (average salary, if higher), plus $32,423 (subject to annual cost of living increases).

A spouse is eligible for the Basic Employee Death Benefit under FERS if the spouse was married to the deceased for at least nine months, or if the death occurred before nine months of marriage, a survivor annuity may still be payable if the employees death was accidental, or if there was a child born of the marriage to the employee.

Former Spouses are also eligible to receive the basic death benefit as long as they were married to the deceased for at least nine months and they have a court order awarding a survivor benefit.

Monthly Survivor Benefit (Annuity): If the employee had at least 10 years of creditable service (18 months of which must be creditable civilian service), and died while subject to FERS deductions; the surviving spouse (or former spouse of a deceased employee under a court order), and child/children will receive recurring monthly payments.

A spouse is eligible for the Monthly Survivor Benefit under FERS if the spouse was married to the deceased for at least nine months, or if the death occurred before nine months of marriage, a survivor annuity may still be payable if the employees death was accidental, or if there was a child born of the marriage to the employee,

Former Spouses are also eligible to receive Monthly Benefit under FERS as long as they were married to the deceased for at least nine months and they have a court order awarding a survivor benefit.

Dependent children are eligible for the Monthly Benefit under FERS, if they are unmarried and under 18 years of age. Payments may continue until age 22 if the child is a full-time student attending a recognized school.

Continued on page 8

Survivor Benefits Payable Under CSRS and FERS (continued)

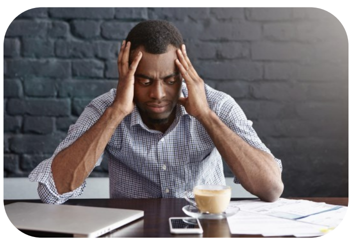
Unmarried disabled dependent children are also eligible if the disability occurred before the age of 18.

Lump Sum Payment: The lump sum payment consist of the unrefunded retirement deductions, redeposit, and military and civilian service deposits. If the employee had less than 18 months of creditable civilian service or leaves no survivors eligible for an annuity, a lump sum credit will be paid to the designated beneficiary. If there is no designated beneficiary, the payment will be made according to the order of precedence.

Both the survivor annuity and lump-sum payments are taxable as income.

For additional information about survivor benefits and eligibility requirements please visit the OPM website: www.opm.gov.

Is the Job Causing Stress?



Did he just hit the snooze button this morning? Did she think about turning around and going home while sitting in traffic? It's happened. Job stress. Many suffer from it. Stress comes in different forms and affects the mind and body in different ways. It can easily overwhelm one's life. It could be a constant worry about a particular project, feeling unfairly treated by a supervisor or co-workers, or knowingly accepting more than you can handle in hopes of earning a promotion.

After a while you'll find that some of the smallest things can heighten stress, such as a copy machine that never seems to work, phones ringing constantly, inbox continuously growing with new demands. Major stress comes from having too much or not enough work, doing work that doesn't satisfy, or even views that conflict with supervisors, coworkers, or customers.

Most of the time it causes burnout. Burnout can lead to depression, which, in turn, has been linked to a variety of other health concerns such as heart disease and stroke, obesity and eating disorders, diabetes and some forms of cancer. Chronic depression also reduces immunity to other types of illnesses, and can even contribute to premature death.

Reduction in job stress can be managed by getting organized; preventing procrastination; learning it's okay to say "no"; focusing and concentrating on one task at a time; and last, but definitely not least, delegating to other team members as necessary. Take a brief walk, chat with a co-worker about a non-job related topic or simply sit quietly with eyes closed and breath.

If the job is causing too much stress, it may be time to think about changing jobs. But, before quitting, spend time thinking about other job options. Not having a job will probably also lead to stress. It might help to talk with a counselor about choices. To learn more about coping with job related stress contact your Employee Assistance Program (EAP) counselors.

"Take full advantage of programs you did not enroll in and select ones that allow you to get the biggest bang for your buck "

Open Season-Change is Good: Getting the most from your insurance plans

Have you ever stopped to wonder "Am I getting the best bang for my buck"? If thinking about this question causes any unnecessary tension then perhaps change is definitely in the air, and there's no better time than the present to figure out if the insurance options you currently have are working to your advantage.

The best way to go about determining this is by reviewing your current benefit options. Start by closely examining your insurance plan brochures to determine if the plan you currently have has the preventative, diagnostic and treatment services desired, or affordable annual deductibles, copays, and/or coinsurance among other things.

We highly recommend that you request a consultation with your primary care medical provider to ensure your physician, dentist, or optometrist accepts all conditions of the coverage you currently have, and that he/she intends to remain a part of the provider network. You may also want to discuss treatment options and whether those options are covered by your plan. It is also important to review any out of pocket expenses you may have and determine if they fall within your limits.

One additional resource very few seem to take advantage of are comparison tools. The Office of Personnel Management offers a comparison tool that compares plan options and programs based on your choices. These comparisons produce an

unofficial statement of benefits, in great detail, the difference between the selected options. Utilize these comparison tools to ensure the coverage you currently have still works to meet your needs.

After reviewing your comparison statements, think about your out of pocket expenses and eligible dependent care expenses and determine if you are saving through your agency's flexible spending options. If you are not enrolled in the program now is a great time to become familiar with savings available to help reduce taxable income while allowing you to pay for out of pocket expenses for insurance and eligible dependents on a pre-tax basis with zero impact to the service you receive.

If you find that during your research any or all of the options you selected do not fully meet all of your needs, it is time to prepare yourself for that change. The 2018 Open Season, November 12 through December 10, will be a prime time to evaluate the current options available, and take full advantage of programs you did not enroll in and select ones that allow you to get the biggest bang for your buck.

Keep your eyes open for information on the 2018 Federal Benefits Open Season.

Benefits, Wage, and NAF Policy Line of Business

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BE Knowledgeable

BE Informed

BE Reliable

The Benefits, Wage, and NAF Policy Line of Business (LOB) supports the Department of Defense (DoD) workforce by delivering Human Resources (HR) solutions to the most complex benefits, pay, and work life balance issues that are vital to our customer base: DoD employees, their families, and agencies that support them.

We educate and cultivate the importance of HR concepts, principles and practices subsequently strengthening the missions of our customers. Our goal is to achieve excellence through knowledge.

BENEFITS • WAGE • NAF Policy

Our Service Sustains Your Service

LINE of BUSINESS

- Employee Benefits & Retirement Programs
- Injury Compensation Program
- Nonappropriated Fund (NAF) HR Programs
- Special Salary Rates
- Special Pay Systems
- Unemployment Compensation Program
- Wage Surveys
- Work Life Programs

2018 Training Schedule for Mark Center

During the 2018 calendar year, the Benefits and Work Life Programs Division, from the Benefits, Wage, and NAF Policy Line of Business (LOB), holds training on Federal Benefits and Entitlements at the Mark Center in Alexandria, VA. Each course is four days long and limited to 25 participants per session. Registration opens 60 days prior to the start date of each course and remains open for 30 days. DoD CAC is required for registration. To enroll, register at: https://dodhrinfo.cpms.osd.mil/Pages/Training-Center.aspx

Course	Dates	Enrollment Deadline
Basic Benefits Course	September 4-7	August 6
Benefits Intermediate Course	September 11-14	August 20
Advanced Benefits Workshop	September 18-21	August 27